recommendation, in consultation with RBI, in order to find *an* innovative method of enhancing the financial resources for infrastructure.

(c) No Sir, There is no such proposal.

(d) India's total foreign exchange reserves (including Gold, SDRs and Reserve Tranche Position in IMF) as on February 23, 2007 was US $193,124 million.

Improper banking policies towards micro rural finance

1555. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the statement made by Noble Prize winner, Professor Mohammed Yunus, in which he criticized about our banking system and according to him suicidal cases of poor farmers are growing only due to improper banking policies towards micro rural finance in our country;

(b) if so, what is Government's reaction thereto; and

(c) the details of steps taken or proposed to be taken by Government for improving banking system particularly for poor and needy persons in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The suicidal cases of poor farmers are happening due to many reasons, credit may be one of them,

(c) An Institutional Credit delivery mechanism is already in place in India to extend credit to large number of borrowers including the poor. The reach of these institutions is being further increased through various policy measures by the Government/RBI such as the Business Correspondent and Business Facilitator models and SHG-Bank Linkage Programme. It has been announced in the budget for 2007-08 that a Financial Inclusion Fund with NABARD will be formed for meeting the cost of developmental and promotional interventions for Financial Inclusion. Further, it has been announced to establish a Financial Inclusion Technology Fund to meet the cost of Tecrhnology adoption. Each fund will have an overall corpus of

Rs. 500 crore, with initial funding to be contributed by Central Government, RBI and NABARD.

Mew Pension System

1556. SHRI K. CHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal for a new Pension System;

(b) if so, the salient feature of the proposed system;

(c) whether the new proposal includes investing the funds in stock market;

(d) if so, the details thereof;

(e) whether any measure is in place for the safety of the investment in volatile situation of stock market; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A new restructured defined contribution pension system for the new entrants to Central Government service, except to the Armed Forces,in the first stage, replacing the existing system of defined benefit pension, was notified on 22nd December, 2003. The New Pension System (NPS) was implemented with effect from 1st January, 2004. The NPS will also be available, on a voluntary basis to all persons including self-employed professionals and others in the unorganized sector. In case of Central Government employees the monthly contribution is 10% of the salary and Dearness Allowance, which is matched by the Government. There will be no contribution from the Government in respect of individuals who are not Government employees. Main features of the scheme include, *inter-alia,* a non-withdrawable tier-l account; a voluntary tier-l! withdrawable account norma! exit at the age of 60 years for tier-l and a mandatory requirement to invest 40% of pension wealth on exit to purchase an annuity.

(c) to (f)Accumulations under the NPS are being credited into the public account. Measures including consultations with State Governments have been initiated to decide on an appropriate investment arrangement for